

**OFFICE OF INSPECTOR GENERAL  
RAILROAD RETIREMENT BOARD**

**JUSTIFICATION OF BUDGET ESTIMATES  
FISCAL YEAR 2011**

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**OFFICE OF INSPECTOR GENERAL  
RAILROAD RETIREMENT BOARD**

**EXECUTIVE SUMMARY**

The mission of the Office of Inspector General (OIG) at the Railroad Retirement Board (RRB) is to: (1) conduct independent audits and investigations relating to agency programs and operations; (2) promote economy, efficiency and effectiveness; (3) detect fraud and abuse; and (4) keep the Board Members and Congress informed about problems and recommend corrective actions concerning RRB operations.

The OIG is requesting \$8,936,000 in fiscal year 2011 to continue audit and investigative coverage of the RRB benefit programs, to identify program weaknesses, and reduce fraud in agency programs. The office will focus resources on operational areas with the greatest impact on RRB activities and related customer service. Investigative resources will be devoted to maintaining the integrity of RRB programs through the investigation of waste, fraud, and abuse.

## **JUSTIFICATION OF ESTIMATES**

### **The Administration's Proposed Appropriation Language**

#### **LIMITATION ON THE OFFICE OF INSPECTOR GENERAL**

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, not more than **[\$8,186,000]** \$8,936,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account. *(Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2010.)*

### **Explanation of Proposed Appropriation Language**

<u>Appropriation language</u>	<u>Explanation</u>
For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, not more than \$8,936,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account.	This budget requests funding for audit, investigation, and review of the railroad retirement/survivor and unemployment/sickness insurance benefit programs. The Limitation on the Office of Inspector General draws on the following trust fund accounts for funding: Railroad Retirement Account, Social Security Equivalent Benefit Account, and the Railroad Unemployment Insurance Account.

**Authorizing Legislation**

<b><u>Legislation</u></b>	<b><u>FY 2010</u></b>		<b><u>FY 2011</u></b>	
	<b><u>Authorized</u></b>	<b><u>Current Appropriation</u></b>	<b><u>Authorized</u></b>	<b><u>Appropriation Requested</u></b>
Authorizing legislation - Inspector General Act of 1978, as amended	Indefinite	\$8,186,000 <u>a/</u>	Indefinite	\$8,936,000

a/ This amount represents the level of funding provided by the Consolidated Appropriations Act, 2010 (P.L. 111-117).

Note: The 1988 amendments to the Inspector General Act of 1978 (P.L. 100-504) included the Railroad Retirement Board as an "establishment " covered by the Inspector General Act. Previously, the Railroad Solvency Act of 1983 (P.L. 98-76) amended the Railroad Retirement Act of 1974 (P.L. 93-445) to provide for an Office of Inspector General at the RRB.

**BUDGET AUTHORITY AND STAFFING BY ACTIVITY**

	FY 2009		FY 2010		FY 2011	
	<u>ACTUAL</u> <u>FTES</u>	<u>BUDGET</u> <u>AMOUNT</u>	<u>PROJECTED</u> <u>FTES</u>	<u>BUDGET</u> <u>AMOUNT</u>	<u>PROJECTED</u> <u>FTES</u>	<u>BUDGET</u> <u>AMOUNT</u>
<b><u>Program by Activity</u></b>						
<b>Office of Inspector General</b>						
Audit and Investigation	48	\$7,806,000	54	\$8,186,000	55	\$8,936,000
Authorizing Legislation		\$7,806,000 <u>a/</u>		\$8,186,000 <u>b/</u>		\$8,936,000

a/ Reflects the level of funding provided by the Consolidated Appropriations Act, 2009 (P.L. 111-8).

b/ Reflects the level of funding provided by the Consolidated Appropriations Act, 2010 (P.L. 111-117).

## BUDGET AUTHORITY BY OBJECT CLASSIFICATION

	FISCAL YEAR 2009 ACTUAL AMOUNTS	FISCAL YEAR 2010 ESTIMATED AMOUNTS	FISCAL YEAR 2011 ESTIMATED AMOUNTS	FY 2011 vs. FY 2010 INCREASE OR DECREASE
<b><u>Limitation on the Office of Inspector General</u></b>				
<b><u>Direct Obligations by Object Class</u></b>				
<b>Personnel Compensation:</b>				
Full-time permanent	\$4,319,356	\$5,231,000	\$5,512,000 <b>b/</b>	\$281,000
Other than full-time permanent	0	95,000	100,000 <b>b/</b>	5,000
Other personnel compensation	69,195	97,000	95,000	(2,000)
<b>Total Personnel Compensation</b>	<b>4,388,551</b>	<b>5,423,000</b>	<b>5,707,000</b>	<b>284,000</b>
<b>Personnel Benefits: Civilian</b>				
Benefits for former personnel	0	0	0	0
Travel and transportation of persons	266,189	270,000	290,000	20,000
Transportation of things	11,200	1,000	1,000	0
Rental Payments to GSA	288,273	300,000	310,000	10,000
Communications, utilities, and miscellaneous charges	101,618	111,000	115,000	4,000
Printing and reproduction	17	1,000	1,000	0
Consulting Services	0	0	0	0
Other Services	972,417 <b>c/</b>	330,000	568,000 <b>d/e/</b>	238,000
Supplies and materials	37,545	39,000	39,000	0
Equipment	313,634	50,000	50,000	0
<b>Total Direct Obligations</b>	<b>\$7,753,762</b>	<b>\$8,186,000</b>	<b>\$8,936,000</b>	<b>\$750,000</b>
<b>Unobligated Balance</b>	<b>52,238</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Budget Authority</b>	<b>\$7,806,000</b>	<b>\$8,186,000 <b>f/</b></b>	<b>\$8,936,000 <b>g/</b></b>	<b>\$750,000</b>
<b>Total Full-Time Equivalent Usage</b>	<b>48</b>	<b>54</b>	<b>55</b>	<b>1</b>

**a/** The Limitation on the Office of Inspector General excludes reimbursable funding the RRB-OIG expects to receive from the Centers for Medicare & Medicaid Services and the Inspector General Criminal Investigator Academy.

**b/** Salary and benefit estimates for FY 2011 reflect an Office of Management and Budget policy pay raise assumption of 1.4% effective January 2011.

**c/** Includes \$563,873 for a contract to audit the Financial Interchange.

**d/** Reflects an increase of over \$250,000 in anticipated contract costs for the assistance of a consulting actuary in auditing the Statement of Social Insurance.

**e/** Includes \$50,000 for RRB-OIG training and \$21,446 (0.24% of FY 2011 budget authority) for support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE), pursuant to the Inspector General Reform Act of 2008 (P.L. 110-409).

**f/** Reflects the level of funding provided by the Consolidated Appropriations Act, 2010 (P.L. 111-117).

**g/** The RRB Office of Inspector General requested \$8,975,000 in fiscal year 2011 to continue our oversight of agency programs. The request reflected a policy pay assumption of 2.0% effective January 2011.

**CONTRACTUAL SERVICES**

<b><u>Program by Activity</u></b> <b><u>Contractual Services</u></b>	<b><u>FY 2009</u></b> <b><u>ACTUAL</u></b>	<b><u>FY 2010</u></b> <b><u>ESTIMATE</u></b>	<b><u>FY 2011</u></b> <b><u>ESTIMATE</u></b>
<b><u>Contracts</u></b>			
OIG Disaster Recovery Services	\$79,200	\$85,000	\$85,000
Virtual Local Area Network	111,232	0	0
Audit of the Financial Interchange	563,873		
Audit of Statement of Social Insurance	0	29,000	300,000
<b>Contract Program Total</b>	<b>\$754,305</b>	<b>\$114,000</b>	<b>\$385,000</b>



**RAILROAD RETIREMENT BOARD - OFFICE OF INSPECTOR GENERAL****PERSONNEL SUMMARY**

	<u>FY 2009 ACTUAL</u>	<u>FY 2010 ESTIMATE</u>	<u>FY 2011 ESTIMATE</u>
IG	1	1	1
Subtotal	1	1	1
ES-00	1	2	3
Subtotal	1	2	3
GS/GM-15	3	2	1
GS/GM-14	8	8	8
GS/GM-13	19	19	19
GS-12	10	13	15
GS-11	2	3	1
GS-10	0	0	0
GS-09	3	3	3
GS-08	1	1	1
GS-07	2	3	3
GS-06	1	0	0
GS-05	0	0	0
GS-04	0	0	0
GS-03	0	0	0
GS-02	0	0	0
GS-01	0	0	0
Subtotal	49	52	51
End of Year: total full-time permanent employment	51	55	55
Full-time equivalent (FTE) usage	48	54	55
<u>END OF YEAR</u>			
Average ES Salary	\$162,900	\$165,300	\$168,000
Average GS/GM Grade	12.27	12.19	12.18
Average GS/GM Salary without Premium Pay	\$96,092	\$99,229	\$101,662
Average GS/GM Salary with Premium Pay	\$104,040	\$107,700	\$110,561

**LIMITATION ON THE OFFICE OF INSPECTOR GENERAL**

**AMOUNTS AVAILABLE FOR OBLIGATION**

**Office of Inspector General**

<b><u>Financing</u></b>	<b><u>FY 2009 actual</u></b>	<b><u>FY 2010 estimate</u></b>	<b><u>FY 2011 estimate</u></b>
Obligations from new authority	\$7,753,762	\$8,186,000	\$8,936,000
Plus: Unobligated balance	52,238	0	0
<b>Limitation on the Office of Inspector General</b>	<b>\$7,806,000 <u>a/</u></b>	<b>\$8,186,000 <u>b/</u></b>	<b>\$8,936,000</b>
<b><u>Relation of direct obligations to outlays</u></b>			
Obligations incurred	\$7,753,762	\$8,186,000	\$8,936,000
Obligated balance, start of year	0	823,485	823,485
Obligated balance, end of year	(823,485)	(823,485)	(823,485)
<b>Outlays</b>	<b>\$6,930,277</b>	<b>\$8,186,000</b>	<b>\$8,936,000</b>

**a/** Reflects an appropriation of \$7,806,000 provided by the Consolidated Appropriations Act, 2009 (P.L. 111-8).

**b/** Reflects an appropriation of \$8,186,000 provided by the Consolidated Appropriations Act, 2010 (P.L. 111-117).

**Note:** Funding for the audit and investigative activities of the Railroad Retirement Board Office of Inspector General is transferred from the Railroad Retirement Account (RRA), the Social Security Equivalent Benefit (SSEB) Account, and the Railroad Unemployment Insurance Account (RUIA). The President's budget for fiscal year 2011 reflects budget authority for administrative expenses in the RRA, SSEB Account, and the RUIA. The Limitation on the Office of Inspector General receives spending authority from offsetting collections equal to the appropriation amount.

## **APPROPRIATIONS HISTORY TABLE**

<b><u>FISCAL YEAR</u></b>	<b><u>PRESIDENT'S BUDGET TO CONGRESS</u></b>	<b><u>HOUSE ALLOWANCE</u></b>	<b><u>SENATE ALLOWANCE</u></b>	<b><u>APPROPRIATION</u></b>	
2001	\$5,700,000	\$5,380,000	\$5,700,000	\$5,700,000	<u>a/</u>
2002	\$6,480,000	\$6,042,000	\$6,480,000	\$6,256,500	<u>b/</u>
2003	\$6,300,000	\$6,300,000	\$6,300,000	\$6,321,640	<u>c/</u>
2004	\$6,600,000	\$6,600,000	\$6,300,000	\$6,561,060	<u>d/</u>
2005	\$7,200,000	\$6,561,000	\$7,200,000	\$7,195,968	<u>e/</u>
2006	\$7,195,968	\$7,196,000	\$7,196,000	\$7,124,040	<u>f/</u>
2007	\$7,606,000	\$7,606,000	\$7,606,000	\$7,172,686	<u>g/</u>
2008	\$7,606,000	\$7,606,000	\$8,000,000	\$7,047,688	<u>h/</u>
2009	\$7,806,000	\$7,806,000	\$7,806,000	\$7,806,000	<u>i/</u>
2010	\$8,186,000	\$8,186,000	\$8,186,000	\$8,186,000	<u>j/</u>
2011	\$8,936,000				

a/ Represents the amount made available by Consolidated Appropriations Act, 2001 (P.L. 106-554).

b/ Represents the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, 2002 (P.L.107-116) amount of \$6,261,000, less \$4,500 rescinded in accordance with P. L.107-206.

c/ Represents the Consolidated Appropriations Resolution, 2003 (P.L. 108-7) amount of \$6,363,000, less \$41,360 rescinded in accordance with P.L. 108-7.

d/ Represents the Consolidated Appropriations Act, 2004 (P.L. 108-199) amount of \$6,600,000, less \$38,940 rescinded in accordance with P.L. 108-199.

e/ Represents the Consolidated Appropriations Act, 2005 (P.L. 108-447) amount of \$7,254,000, less \$58,032 rescinded in accordance with P.L. 108-447.

f/ Represents the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006 (P.L. 109-149) amount of \$7,196,000, less \$71,960 rescinded in accordance with P.L. 109-148.

g/ Represents \$7,124,040 provided by the Revised Continuing Appropriations Resolution, 2007 (P.L.110-5), plus an additional \$48,646 to reimburse one-half of the January 2007 pay raise provided by Section 111 of P.L. 110-5.

h/ Represents the Consolidated Appropriations Act, 2008 (P.L. 110-161) amount of \$7,173,000, less \$125,312 rescinded in accordance with P.L. 110-161.

i/ Represents the amount made available by the Consolidated Appropriations Act, 2009 (P.L. 111-8).

j/ Represents the amount made available by the Consolidated Appropriations Act, 2010 (P.L. 111-117).

## STAFFING HISTORY

### Railroad Retirement Board - Office of Inspector General Actual and Projected Full-Time Equivalent Employment

<u>Fiscal Year</u>	<u>Total FTEs</u>	<u>Change from previous year</u>	<u>Percent change from previous year</u>	<u>Cumulative FTE Changes</u>	<u>Cumulative percent change since fiscal year 1993</u>
1993	99	---	---	---	---
1994	93	-6	-6.1%	-6	-6.1%
1995	88	-5	-5.4%	-11	-11.1%
1996	74	-14	-15.9%	-25	-25.3%
1997	62	-12	-16.2%	-37	-37.4%
1998	59	-3	-4.8%	-40	-40.4%
1999	59	0	0.0%	-40	-40.4%
2000	54	-5	-8.5%	-45	-45.5%
2001	51	-3	-5.6%	-48	-48.5%
2002	51	0	0.0%	-48	-48.5%
2003	53	2	3.9%	-46	-46.5%
2004	51	-2	-3.8%	-48	-48.5%
2005	50	-1	-2.0%	-49	-49.5%
2006	51	1	2.0%	-48	-48.5%
2007	48	-3	-5.9%	-51	-51.5%
2008	47	-1	-2.1%	-52	-52.5%
2009	48	1	2.1%	-51	-51.5%
2010	54 <u>a/</u>	6	12.5%	-45	-45.5%
2011	55 <u>a/</u>	1	1.9%	-44	-44.4%

a/ Reflects estimated FTEs to be used.

**OFFICE OF INSPECTOR GENERAL  
RAILROAD RETIREMENT BOARD**

**EXPLANATION OF FISCAL YEAR 2011 REQUEST**

The Office of Inspector General (OIG) at the Railroad Retirement Board (RRB) is responsible for promoting economy, efficiency and effectiveness; and for identifying and preventing fraud, waste and abuse in agency programs. The RRB administers comprehensive retirement-survivor and unemployment-sickness insurance benefit programs for the nation's railroad workers and their families. It is the Railroad Retirement Board's (RRB) mission to pay accurate and timely benefits. During fiscal year (FY) 2009, the RRB paid approximately \$10.5 billion in retirement and survivor benefits to 589,000 beneficiaries. It also paid \$154.1 million in net unemployment and sickness insurance benefits to almost 24,000 unemployment insurance beneficiaries and 18,000 sickness insurance beneficiaries.

The RRB contracts with a separate Medicare Part B carrier to process the Medicare Part B claims of qualified railroad retirement beneficiaries. As of September 30, 2009, there were about 468,000 such beneficiaries enrolled in the Medicare Part B program through the RRB. During FY 2009, the RRB's separate Part B carrier paid over \$900 million in benefits.

The OIG conducts audits, management reviews, inspections of RRB program operations, and provides recommendations for improvement to agency management. The OIG also identifies and investigates cases of waste, fraud and abuse in RRB programs, and makes referrals for prosecution and monetary recovery actions.

The FY 2011 Performance Budget, including the President's proposed administrative budget and projected performance statistics for FYs 2010-2011, is included in this budget justification.

The OIG is requesting \$8,936,000 in FY 2011 to conduct its independent oversight of agency operations. The OIG will continue its efforts to perform fraud investigations, identify operational weaknesses and detect internal control deficiencies in RRB benefit programs. The OIG will also continue its work with agency managers to ensure implementation of corrective actions.

The Office of Inspector General conducts its operations through two major components: the Office of Audit and the Office of Investigations. A discussion of the priority areas in FY 2011 for audit and investigative activities follows.

## **OFFICE OF AUDIT**

The mission of the Office of Audit (OA) is to (1) promote economy, efficiency, and effectiveness in the administration of RRB programs, and (2) detect and prevent fraud and abuse in such programs. Through the Inspector General, OA keeps the Board Members and the Congress informed of current and potential problems and deficiencies in RRB operations and the status of progress towards corrective action.

During FY 2011, OA will focus on areas affecting program performance, the efficiency and effectiveness of agency operations, and areas of potential fraud, waste and abuse. In FY 2011, OA will continue its emphasis on long-term systemic problems and solutions, and will address major issues that affect the RRB's service to rail beneficiaries and their families. OA has identified four broad areas of potential audit coverage:

- Financial Accountability
- RRA & RUIA Benefit Program Operations
- Railroad Medicare Program Operations
- Security, Privacy and Information Management

During FY 2011, OA must accomplish the following mandated activities with its own staff:

- Audit of the RRB's Financial Statements pursuant to the requirements of the Accountability of Tax Dollars Act of 2002; and
- Evaluation of Information Security pursuant to the Federal Information Security Management Act (FISMA).

During FY 2011, OA will complete the audit of the RRB's FY 2010 financial statements and begin its audit of the agency's FY 2011 financial statements. OA contracts with a consulting actuary for technical assistance in auditing the RRB's

Statement of Social Insurance, which became basic financial information effective for FY 2006. In FY 2011, the cost of this contract is expected to increase significantly over the current contract amount.

In addition to performing the annual evaluation of information security, OA also conducts audits of individual computer application systems which are required to support the annual FISMA evaluation. Our work in this area is targeted toward the identification and elimination of security deficiencies and system vulnerabilities, including controls over sensitive personally identifiable information.

OA undertakes additional projects with the objective of allocating available audit resources to areas in which they will have the greatest value. In making that determination, OA considers staff availability, current trends in management, and Congressional and Presidential concerns.

## **OFFICE OF INVESTIGATIONS**

The Office of Investigations (OI) focuses its efforts on identifying, investigating and presenting cases for prosecution, throughout the United States, concerning fraud in RRB benefit programs. OI conducts investigations relating to the fraudulent receipt of RRB sickness, unemployment, disability, or retirement benefits. OI investigates railroad employers and unions when there is an indication that they have submitted false reports to the RRB. OI also conducts investigations involving fraudulent claims submitted to the Railroad Medicare Program. These investigative efforts can result in criminal convictions, administrative sanctions, civil penalties and the recovery of program benefit funds for a major program administered by the RRB.

OI initiates cases based on information from a variety of sources. The RRB conducts computer matching of employment and earnings information reported to state governments and the Social Security Administration with RRB benefits paid data. Fraud referrals are made to OI if a match is found. OI also receives allegations of fraud through the OIG Hotline, contacts with state, local and Federal agencies, and information developed through audits conducted by the OIG's Office of Audit.

### **OI Investigative Results for FY 2009**

<b><u>Civil Judgments</u></b>	<b><u>Indictments/Informations</u></b>	<b><u>Convictions</u></b>	<b><u>Recoveries/Receivables</u></b>
<b>29</b>	<b>78</b>	<b>48</b>	<b>\$7,056,086</b>

OI anticipates an ongoing caseload of approximately 425 investigations in FY 2011. During FY 2009, OI opened 231 new cases and closed 281. At present, OI currently has cases open in 47 states, the District of Columbia and Canada with estimated fraud losses totaling nearly \$19.4 million.

OI will concentrate its resources on cases with the highest fraud losses. Typically, these cases are related to the RRB's disability program. Disability fraud cases currently constitute approximately 45% of OI's total caseload. These cases involve more complicated schemes and often result in the recovery of substantial funds for the agency's trust funds. OI will continue to dedicate considerable time and resources in the investigation of nationwide schemes to defraud the RRB disability program. These cases require sizeable resources for travel by special agents to conduct surveillance, or more sophisticated investigative techniques and numerous witness interviews. The schemes are often complex and, in some instances, even include conspiratorial involvement by attorneys. The cases also require very sophisticated financial analysis, since the schemes are often cloaked in what could appear to be legitimate business practices.

OI will also continue to investigate fraud violations of railroad employees collecting unemployment or sickness insurance benefits while working and receiving wages from an employer. OI will also investigate retirement fraud which typically involves the theft and fraudulent cashing of U.S. Treasury checks or the withdrawal of electronically deposited RRB benefits. OI will also use the Department of Justice's Affirmative Civil Enforcement Program to recover trust fund monies from cases that do not meet U.S. Attorney's guidelines for criminal prosecution.

In FY 2011, OI will continue to coordinate its efforts with agency program managers to address vulnerabilities in benefit programs that allow fraudulent activity to occur and will recommend changes to ensure program integrity. OI plans to continue proactive projects to identify fraud matters that are not detected through the agency's program



policing mechanisms. Findings will be conveyed to agency management through OIG systemic implication reports to alert officials of operational weaknesses that may result in fraud against RRB programs. OI will also continue to work with RRB program managers to ensure the appropriate and timely referral of all fraud matters to the OIG.

OI will also investigate complaints involving administrative irregularities and any alleged misconduct by agency employees.

## **Conclusion**

In FY 2011, the OIG will continue to focus its resources on the review and improvement of RRB operations and will conduct activities to ensure the integrity of the agency trust funds. This office will continue to work with agency officials to ensure the agency is providing quality service to railroad workers and their families. The OIG will also aggressively pursue all individuals who engage in activities to fraudulently receive RRB funds, including RRB Medicare funds.

**RAILROAD RETIREMENT BOARD**  
**OFFICE OF INSPECTOR GENERAL**

**FISCAL 2011 PERFORMANCE BUDGET**

**INTRODUCTION**

The audit and investigative programs of the Office of Inspector General (OIG) are dedicated to protecting the integrity of the Railroad Retirement Board's trust funds and improving the delivery of benefits to the railroad community. The OIG has developed the Fiscal Year 2011 Performance Budget to support our mission by establishing performance measures for our strategic goals.

The OIG is aware that external factors may significantly affect planned activities and the allocation of resources during any given fiscal year. New legislative mandates may necessitate the delay of scheduled projects to ensure that we meet new statutory requirements. The performance budget reflects the President's proposed fiscal year 2011 funding level of \$8,936,000 for the Office of Inspector General.

**MISSION STATEMENT**

The Office of Inspector General:

- Conducts audits/evaluations, management reviews, and inspections for RRB program operations;
- Provides recommendations for improvement to agency management;
- Promotes economy, efficiency, and effectiveness in agency programs;
- Prevents and detects fraud, waste, and abuse in agency programs;
- Reviews and makes recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations; and
- Keeps RRB Board Members and the Congress fully informed of problems in agency programs and operations.

## STRATEGIC GOALS

The OIG has the following strategic goals:

1. ***Add value to the agency's programs and operations*** – This goal addresses the OIG's independent oversight of agency program operations. In support of this goal the OIG evaluates agency program functions, assesses program efficiency, and advises management of the necessary actions to improve agency performance.
2. ***Protect the integrity of the agency's programs and operations*** – This goal includes compliance reviews and enforcement activities to identify systemic weaknesses in agency programs. The OIG's objective is to reduce the potential for waste, fraud, and abuse in agency programs and to create a deterrent for future fraudulent activities.
3. ***Ensure quality and excellence in OIG work and products*** – This goal focuses on the internal operations of the OIG and identifies ways to streamline and improve the effectiveness of audits and investigations by utilizing new technologies, providing staff training, and improving planning processes.

## PERFORMANCE BUDGET

The following performance budget provides performance goals and indicators consistent with our strategic goals. Actual performance is provided in the following exhibit for fiscal years 2006 through 2009. Performance for fiscal year 2010 reflects the level of resources provided by the Consolidated Appropriations Act, 2010, and fiscal year 2011 performance reflects the President's proposed budget level of \$8,936,000.

<b>Railroad Retirement Board – Office of Inspector General FY 2011 Performance Budget</b>	2006 Actual (\$7.124m)	2007 Actual (\$7.173m)	2008 Actual (\$7.048m)	2009 Actual (\$7.806m)	2010 Estimate (\$8.186m)	2011 Request Level (\$8.936m)
<b>Performance Goal I: Add value to the agency's programs and operations through audits and evaluations.</b>						
The OIG will solicit suggestions for audits and reviews for the annual audit work plan from 100% of the agency's organizational components.	100%	100%	100%	100%	100%	100%
Seventy-five percent of audit reports will be issued within 240 days.	75%	56%	40%	0%	50%	50%
Eighty percent of audits, evaluations, and inspections are subjected to an internal quality assurance review.	75%	80%	100%	100%	80%	80%
Agency management agrees with 80% of recommendations made in audit, evaluation, and inspection reports.	94%	97%	98%	91%	80%	80%
<b>Performance Goal II: Provide accurate, objective and timely information to the RRB, Congress and other interested parties.</b>						
The OIG will file 100% of reports on time, and acknowledge 100% of requests for information within three working days.	100%	100%	100%	100%	100%	100%
	100%	100%	100%	100%	100%	100%
<b>Performance Goal III: The OIG's work will deter fraud and abuse in agency programs and foster integrity in its operation.</b>						
The OIG will increase the number of convictions, civil judgments and administrative actions resulting from its investigative case work by 10% over the FY 2000 base of 112.	10%					
The OIG will increase the amount of monetary accomplishments by 10% over the FY 2000 base of \$3.9 million.	10%					
The OIG will complete 4 projects to identify fraud cases that are not detected through agency policing procedures.	3	2	0	6	4	4
Percentage of allegations that are evaluated and submitted for disposition within 30 days of receipt.	90%	80%	80%	89%	90%	90%

<b>Railroad Retirement Board – Office of Inspector General FY 2011 Performance Budget</b>	2006 Actual (\$7.124m)	2007 Actual (\$7.173m)	2008 Actual (\$7.048m)	2009 Actual (\$7.806m)	2010 Estimate (\$8.186m)	2011 Request Level (\$8.936m)
Percentage of investigations that are accepted by a prosecutor or an agency for judicial or administrative action that result in a successful action, i.e., criminal conviction, civil judgment or administrative action.	90%	80%	90%	93%	90%	90%
<b>Performance Goal IV: Promote cooperative relationships with the RRB and other federal, state, and local agencies.</b>						
Percentage of systemic issue recommendations that are agreed to by the agency in the current year.	80%	70%	95%	75%	90%	90%
The OIG will work 10% on average, of its cases as joint investigations with other OIGs, and 8% as joint investigations with other Federal investigative agencies.	OIG 4% OLE 8%					
The OIG will conduct 4 training sessions during the year for RRB staff.	2	1	0	2	4	4
<b>Performance Goal V: Conduct timely follow-up on prosecutions and corrective actions.</b>						
Reports on the progress of corrective actions for audit recommendations will be issued to the RRB Chairman within 35 days of the six month reporting period.	34 days	35 days	30 days	30 days	35 days	30 days
<b>Performance Goal VI: The OIG will ensure an economical and efficient operation.</b>						
All auditors hold the appropriate credentials to satisfy government, PCIE and applicable standards.	100%	100%	100%	100%	100%	100%
All auditors will receive 80 hours of continuing professional education over 2 years.	100%	100%	100%	100%	100%	100%
Percentage of responses to completed case surveys indicating an evaluation of full satisfaction or higher regarding OIG investigative products.	92%	94%	100%	100%	95%	95%